

Message Text

CONFIDENTIAL

PAGE 01 MANILA 12809 170334Z

ACTION EA-09

INFO OCT-01 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00

COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15

STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

/097 W

-----060538 170359Z /10

R 170149Z AUG 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 3817

USMISSION GENEVA

C O N F I D E N T I A L MANILA 12809

E.O. 11652: GDS

TAGS: ETRD, RP

SUBJECT: US-PHILIPPINE ECONOMIC TREATY TALKS

E

REF: MANILA 12723, STATE 191837

1. TEXT OF USG PROPOSED HYPOTHETICAL ARTICLE III WAS EXCHANGED
AUGUST 16 EVENING IN HYATT HOTEL LOBBY WITH AMBASSADOR VEGA
FOR GOP TEXT ON INVESTMENT.

2. GOP TEXT READS AS FOLLOWS:

QTE EACH PARTY RECOGNIZING THE CONTRIBUTION WHICH MAY BE MADE
TO THE DEVELOPMENT AND EXPANSION OF THEIR RESPECTIVE ECONOMIES
BY PRIVATE DIRECT INVESTMENT, SHALL ENDEAVOR TO FACILITATE
INVESTMENTS BY NATIONALS AND COMPANIES OF THE OTHER PARTY,
SUBJECT TO THE FURTHER PROVISIONS OF THIS CHAPTER.

QTE EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, NATIONALS
AND COMPANIES OF EITHER PARTY SHALL BE ACCORDED TREATMENT NO
LESS FAVORABLE THAN THAT ACCORDED TO NATIONALS AND COMPANIES
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 12809 170334Z

OF ANY OTHER THIRD COUNTRY WITHIN THE TERRITORIES OF THE
OTHER PARTY, WITH RESPECT TO THE ESTABLISHMENTS, ACQUISITION
OF INTERESTS IN, MAINTENANCE AND OPERATION OF ENTERPRISES
ENGAGED IN COMMERCIAL INDUSTRIAL, FINANCIAL OR OTHER BUSINESS
ACTIVITIES; AND SUCH TREATMENT SHALL LIKEWISE BE ACCORDED TO
NATIONALS AND COMPANIES OF EITHER PARTY WITH RESPECT TO
ENTERPRISES WHICH ESTABLISH, ACQUIRE INTEREST IN, MAINTAIN

OR OPERATE JOINTLY WITH NATIONALS AND COMPANIES OF THE OTHER PARTY.

QTE EACH PARTY RESERVES THE RIGHTS TO LIMIT THE EXTENT TO WHICH ALIENS MAY ESTABLISH, ACQUIRE INTEREST IN, OR CARRY ON ENTERPRISES ENGAGED WITHIN ITS TERRITORIES, PROVIDED THAT WITH RESPECT TO LIMITATIONS IMPOSED BY EITHER PARTY AFFECTING EXISTING INVESTMENTS, THERE SHALL BE ACCORD TO THE OTHER PARTY PRIOR CONSULTATIONS BEFORE IMPLEMENTATION THEREOF. REASONABLE TIME SHALL BE ALLOWED TO THE NATIONALS AND COMPANIES OF THE OTHER PARTY WITHIN WHICH TO COMPLY WITH SAID LIMITATION.

QTE NOTHING IN THIS TREATY SHALL PREVENT EITHER PARTY FROM ESTABLISHING AND ENFORCING REQUIREMENTS REGARDING A SCHEDULE FOR TRANSFERRING THE CONTROL OF AN ENTERPRISE OWNED OR CONTROLLED BY NATIONALS OR COMPANIES OF ONE PARTY TO NATIONALS OR COMPANIES OF THE OTHER PARTY IN WHOSE TERRITORY IT IS BEING ESTABLISHED AND ENFORCED PROVIDED THAT THE OTHER PARTY IS AFFORDED PRIOR CONSULTATIONS BEFORE IMPLEMENTATION THEREOF TO REASONABLE TIME SHALL BE ALLOWED TO THE NATIONALS AND COMPANIES OF THE OTHER PARTY WITHIN WHICH TO COMPLY WITH SAID SCHEDULE.

QTE EACH PARTY RESERVES THE RIGHT TO LIMIT THE EXTENT TO WHICH ALIENS MAY ENGAGE IN PROFESSIONS, BECAUSE THEY INVOLVE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 12809 170334Z

THE PERFORMANCE OF FUNCTIONS IN A PUBLIC CAPACITY OR IN THE INTEREST OF PUBLIC HEALTH AND SAFETY, ARE STATE-LICENSED AND RESERVED BY LAW TO NATIONALS OF SUCH PARTY. UNQTE

3. VEGA'S INITIAL REACTION WAS QUICK AND SIMPLE, THAT NEW USG TEXT WAS NOT MUCH DIFFERENT FROM PREVIOUS PROPOSAL. VEGA SAID HE WOULD BE PREPARED TO CONVEY GOP REACTION TO USG TEXT BY 10:00 A.M. FRIDAY, AUGUST 19, LOCAL TIME AT WHICH TIME WE AGREED TO SEE HIM AGAIN, THIS TIME IN THE FOREIGN OFFICE.

4. VEGA WAS INTERESTED IN USG REACTION TO GOP TEXT ON INVESTMENT AND EXPRESSED HOPE THAT WE WOULD HAVE WORD BY FRIDAY. HE WAS OBVIOUSLY ANXIOUS FOR EARLY USG RESPONSE SINCE HE WILL HAVE TO RETURN SOON TO EUROPE. ACTION REQUESTED: WOULD APPRECIATE GUIDANCE ON HOW TO HANDLE THIS ASPECT OF SUBJECT.

5. PRIOR TO EXCHANGE OF TEXTS (WE ARE WAITING FOR VEGA'S DRIVER TO BRING HIS BRIEFCASE), VEGA STATED THAT "THE GENERAL WOULD LIKE TO HAVE A MEETING WITH THE U.S. NEGOTIATOR ON THE DAY BEFORE (SEPTEMBER 6) OR ON THE DAY AFTER (SEPTEMBER 10)

THE US/ASEAN CONSULTATIONS." WE SAID THAT THE PRINCIPAL U.S. INTERLOCUTOR WOULD BE DEPUTY ASSISTANT SECRETARY HEGINBOTHAM AND WE HAD EXPECTED THE SUBJECT OF US/RP ECONOMIC TREATY WOULD ARISE INFORMALLY DURING THE US/ASEAN MEETING. THE CURRENT SCENARIO INDICATES THAT SEPTEMBER 7 MORNING WOULD BE OPEN FOR A SESSION.

6. ASKED AS TO WHO WILL SPEAK FOR THE GOP, VEGA SAID THE GOP NEGOTIATOR WOULD BE EITHER HIMSELF OR "ONE OF THE ECONOMIC MINISTERS WHO IS NOT INVOLVED IN THE US/ASEAN TALKS."
STULL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXT, NEGOTIATIONS, ECONOMIC AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANILA12809
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770296-0169
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770853/aaaabsut.tel
Line Count: 127
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 45276b59-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 MANILA 12723, 77 STATE 191837
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1578375
Secure: OPEN
Status: NATIVE
Subject: US-PHILIPPINE ECONOMIC TREATY TALKS E
TAGS: ETRD, RP, US
To: STATE GENEVA
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/45276b59-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009